

WARREN COUNTY BOARD OF SUPERVISORS

COMMITTEE: OCCUPANCY TAX COORDINATION

DATE: FEBRUARY 25, 2010

COMMITTEE MEMBERS PRESENT:

SUPERVISORS KENNY
MERLINO
BENTLEY
CHAMPAGNE
GOODSPEED
MCCOY
CONOVER

OTHERS PRESENT:

FRANK O'KEEFE, COUNTY TREASURER
REPRESENTING THE TOURISM DEPARTMENT:
KATE JOHNSON, DIRECTOR
LEISA GRANT, PRINCIPAL ACCOUNT CLERK
MICHAEL CONSUELO, SPECIAL EVENTS COORDINATOR
FREDERICK MONORE, CHAIRMAN OF THE BOARD
NICOLE LIVINGSTON, DEPUTY CLERK OF THE BOARD

KEVIN GERAGHTY, BUDGET OFFICER

SUPERVISORS LOEB

PITKIN

TAYLOR

THOMAS

STEC

STRAINER

VANNES

IGGY TARAJOS, LAKE GEORGE FORUM

DON LEHMAN, *THE POST STAR*

THOM RANDALL, *THE ADIRONDACK JOURNAL*

AMANDA ALLEN, SR. LEGISLATIVE OFFICE SPECIALIST

Please see the sign-in sheet for additional meeting attendees.

Mr. Kenny called the meeting of the Occupancy Tax Coordination Committee to order at 10:33 a.m.

Motion was made by Mr. McCoy, seconded by Mr. Bentley and carried unanimously to approve the minutes from the December 14, 2009 Committee meeting, subject to correction by the Clerk of the Board.

Copies of the meeting agenda were distributed to the Committee members, a copy of which is also on file with the minutes.

Beginning with Agenda Item 2, privilege of the floor was extended to Frank O'Keefe, County Treasurer, who proceeded with a review of the Occupancy Tax Report, as well as the accompanying memo, both of which were included in the agenda. He noted that through 2009, \$2,919,253 had been collected in occupancy tax revenues, which was a decrease of \$382,961 from the prior year. Mr. O'Keefe then provided a recap of the 2010 Occupancy Tax Department Budget which totaled \$3,335,000 and was broken down as follows:

Special Event Funds	\$ 330,331.00
Municipality's Share	826,000.00
Tourism Department	<u>2,178,779.00</u>
TOTAL	\$3,335,000.00

Respective to discussion regarding the possibility of using occupancy tax funding for future construction in connection with the Gaslight Village Project, Mr. O'Keefe cautioned that such actions would reduce the amount of funding available for special events, municipalities and the Tourism Department. He added that future possible construction, engineering and legal costs, coupled with the fact that the 2009 revenues had decreased by almost 11% from the 2008 revenue figures, could add considerable costs to not only the 2011 Budget, but also those following.

Mr. O'Keefe concluded his presentation by stating that the 2009 Year End Report would be finalized in March of 2010 and would be forwarded to all members of the Board of Supervisors at that time.

Continuing to Agenda Item 3, privilege of the floor was extended to Mike Consuelo, Special Events Coordinator, who distributed copies of his Monthly Activity Report, a copy of which is on file with the minutes. Referring to the portion of the Report which included leads booked in Warren County, he pointed out that with the assistance of the Lake George Forum and some area hotels, they were able to secure and finalize a contract for an IRS (Internal Revenue Service) convention that would be held on June 20 - 25, 2010 which represented a \$150,000 economic impact to the area. Additionally, Mr. Consuelo noted that a convention had been booked for the US Cheerleading group for July 11 - 15, 2010 at the Great Escape Lodge which would generate an anticipated economic impact of \$27,700. He apprised that they had brought individuals from a few key groups to visit the area in hopes of garnering their business for future events. Mr. Consuelo stated that one of the groups represented was the New York State Banker's Association who had indicated that they would be holding their 2011 conference at the Sagamore Resort.

Mr. Consuelo directed the Committee members to the final page of the Report which included a copy of the LGRCVB (Lake George Regional Convention & Visitors Bureau) newsletter. He said that they intended to produce the newsletter on a monthly basis for distribution to their listing of meeting planners and decision makers which currently consisted of 300 members but was being expanded as they made new contacts at trade shows and events. Mr. Consuelo noted the future publications would include highlights on attractions in the various towns of Warren County and he would be attending Town Chamber of Commerce meetings to keep apprised of upcoming events.

Mr. Merlino asked why there were no groups scheduled for stays in the area during the winter months and Mr. Consuelo replied that this was because there were no large venues available, other than hotels, to attract groups to the area for the winter months. Mr. Merlino stated that more winter business was necessary as a number of small business were failing due to a lack of patronage during the off-season. Mr. Consuelo agreed and said that they were trying to bring in groups for the shoulder seasons, but were having difficulty as appropriate venues were not available. Mr. Merlino responded that the Gaslight Village Property could potentially become an appropriate site for such gatherings and Mr. Consuelo said that he too foresaw this potential for the property. Mr. Goodspeed suggested the possibility of partnering with the ORDA (Olympic Regional Development Agency) to use Gore Mountain and its facilities as a venue to draw groups to Warren County. He noted that Gore Mountain maintained facilities boasting substantial square footage able to accommodate large groups and there were a number of hotels in the area, as well. Mr. Consuelo replied that he had established contacts to discuss the possibility further and planned to visit Gore Mountain to view the facilities in an effort to become more active in marketing its potential to convention groups.

Discussion ensued.

Resuming the agenda review, Mr. Kenny announced that they would skip to Item 6, which pertained to revisiting the application submitted by the Lake George Forum and the subsequent allocation of occupancy tax funding. Iggy Tarajos, General Manager of the Lake George Forum, introduced himself to the Committee and announced that he was present to address the issue of the occupancy tax funding awarded in connection with their summer concert series. He reminded the Committee that they had initially applied for \$5,000 in funding per concert for nine shows and subsequently were awarded a total of \$9,000 for all of the shows. Mr. Tarajos said he wanted to confirm that the allocated funding would still be available to the Lake George Forum as they had reduced the number of shows that would be produced to two confirmed for 2010, with a third hopefully to be introduced later in the year, and possibly four to five shows in 2011. In response to Mr. Kenny's question as to the type of concerts that would be performed, Mr. Tarajos apprised that these would be seated concerts featuring low-key, acoustical bands seeking out smaller venues and reproduction bands.

Mr. Kenny stated that due to the reduction in shows it had become necessary to re-score the application submitted by the Lake George Forum as the number of bed nights and the overall economic impact to the region would be lessened. He said that in doing so, the total points scored had decreased to 20, which fell in the funding range of \$5,000 to \$7,000 maximum award; he added his recommendation that the amount awarded be reduced from the \$9,000 previously authorized to \$5,000, but sought the Committee's feelings on the matter.

At the Committee's request, copies of the original application submitted by the Lake George Forum, the guidelines for the Occupancy Tax Scoring System and the revised Occupancy Tax Scoring Sheet for the Lake George Forum application were distributed for review; copies of these documents are also on file with the minutes.

Mr. Merlino stated that although he was in favor of offering financial assistance whenever possible to draw events and tourism to the area, he was hesitant to allow the full amount because there was no way to know if the concerts would be a success. He then suggested that they reduce the amount of funding to \$5,000. Mr. Champagne countered that because this was a new event and required all the assistance that could be garnered, he would not be opposed to reducing the occupancy tax funding amount to \$7,000. He further noted that this was a fair amount as it represented the median figure between the amount previously authorized and the low-end funding total.

Motion was made by Mr. Champagne, seconded by Mr. McCoy and carried unanimously to amend Resolution No. 816 of 2009 to reduce the amount of occupancy tax funding previously authorized for the Lake George Forum III LLC from \$9,000 to \$7,000 for their 2010 events, and the necessary resolution was authorized for the March 19th Board meeting.

Moving on to Agenda Item 7, Mr. Kenny apprised that three applications for occupancy tax funding had recently been received as follows:

- 1) The Foundation for the Advancement of Developmentally Disabled Persons, Inc. seeking \$10,000 in funding for a four-on-four beach volleyball tournament;
- 2) The Adirondack Balloon Festival seeking \$25,000 for the 2010 Balloon Festival; and
- 3) The Glens Falls Family YMCA seeking \$5,000 for the 2010 New York State YMCA Gymnastics Championships.

Copies of the applications were distributed to the Committee members and are on file with the minutes.

Mr. Kenny stated that the applications were of no consequence because there was no occupancy tax funding remaining to be distributed. Leisa Grant, Principal Account Clerk, noted that there was now \$2,971 available as the funding allotted to the Lake George Forum was reduced.

After reviewing the three applications submitted, Mr. Champagne stated that the minimal amount of funding available was insufficient to meet the needs of any of the applicants and he suggested that the remaining funds be retained to fund smaller, more pressing expenses that might arise in the future. Subsequent to a brief discussion, it was the consensus of the Committee that the three applications would be tabled for further discussion when additional occupancy tax funding became available.

Returning to Agenda Item 4, Mr. Kenny apprised that there had been some informal discussion respective to the Gaslight Village Property and the funding necessary to complete the potential projects proposed. In order to address this matter, he suggested that a capital project be established using 2% of the occupancy tax funding collected from the previous year with additional funds being contributed through a \$3,000 reduction in the amount allotted to each of the Towns, allowing for a total of \$90,000 to be retained for the capital project each year which would be strictly

regulated for use in connection with tourism related projects. Mr. Kenny stated that he had discussed his recommendation with the County Attorney and had been advised that this approach was legally viable. In addition, he said that he would propose reducing the maximum event award amount from \$50,000 to \$45,000 to allow the difference to be used to fund other events. Mr. Kenny noted that Mr. Merlino had previously suggested placing 50% of the special event funds in the capital project, but he did not agree with this as they typically provided \$50,000 each to the Americade and the Boys Highschool Basketball Championships events, which would leave a very small amount to be distributed between the remaining events and he was worried that a severe reduction in funding would hamper, or eliminate these events, some of which were very important to the surrounding communities.

With reference to Mr. Kenny's proposal, Mr. Champagne suggested that the maximum amount for event funding be further reduced to \$35,000 to allow more funds to be contributed to the capital project. He noted that because a plan had yet to be established for the Gaslight Village property, it was unknown how much funding would be required; therefore, he said, it was important to develop an appropriate pool of money to fund the plans once they were developed.

Respective to decreasing the amount of occupancy tax funding contributed to the Towns, Mr. Merlino said that he would prefer to institute a percentage of the total occupancy tax fund that would be contributed to the capital project, rather than a flat amount across the board, as the smaller towns of Warren County received only the \$30,000 contribution and did not retain a percentage of the occupancy tax funding generated throughout the year as the larger towns were permitted to do. He further noted that his suggestions for retaining half of the special event funding for 2011, combined with a 20% reduction in funding to the towns, would attain \$210,000 for the fund in one year and they had plenty of time to plan for the reduction and to notify all appropriate parties. Mr. Merlino apprised that he had been in contact with Bill Dutcher, Americade founder and coordinator, regarding the exorbitant amount the State of New York was charging his organization to rent their beach property for the Americade event. He said that the State had assessed a \$100,000 rental fee and when Mr. Dutcher had petitioned the State to reduce the fee, his request was refused. Mr. Merlino said that if they were able to allow free use of the Gaslight Village property during the Americade event, Mr. Dutcher might be persuaded to return the \$50,000 in occupancy tax funds appropriated to his organization. In keeping with this line of thought, Mr. Merlino suggested that the County bond the amount of money needed to renovate the Gaslight Village property so that it would be in usable condition for the upcoming summer season. He stated that donating the use of the property was a small price to pay in return for the \$18 to \$20 million in revenues generated during the event.

Subsequent to further discussion on the matter, Mr. Kenny said that he felt another Committee meeting should be scheduled solely to discuss the topic of establishing a capital project to fund tourism related projects, as well as the manner in which funding would be contributed. Mr. Goodspeed agreed that further discussion was necessary and he noted his opinion that the amount by which occupancy tax funding appropriated to the towns was reduced should be based on a floating scale which would account for the level of benefits each individual town received from the Gaslight Village property. He added that representatives of the organizations that received maximum occupancy tax funding benefits should also be invited to the meeting to discuss how a reduction in funding would affect their events.

As there was no further business to come before the Occupancy Tax Committee, on motion made by Mr. McCoy and seconded by Mr. Champagne, Mr. Kenny adjourned the meeting at 11:13 a.m.

Respectfully submitted,
Amanda Allen, Sr. Legislative Office Specialist